



November 2008

# LINCOLN COUNTY FSA NEWS

## County Committee Elections

### Lincoln County FSA

P.O. Box 47  
1310 W. Morgan St.  
Davenport, WA. 99122-0047  
(509) 725-4501  
(509) 725-4515 (FAX)

### Office Hours

Monday – Friday  
7:00 a.m. – 4:30 p.m.

FSA Farm Loan Office  
Steve King, Farm Loan Manager  
8815 E. Mission Ave; Suite B  
Spokane Valley, WA. 99212-2532  
(509) 924-7350

### County Committee

Stan Dormaier, Chairperson  
Judy Scrupps, Vice Chairperson  
Pete Carstensen, Regular Member

Committee Meetings: 8:00 A.M. on  
Wed. of 3<sup>rd</sup> full week of the month.

### Office Staff/Phone Extension

Jeff Lust, CED /	102
Debbie Sweet, PT /	101
Sally Simpson, PT/	108
Jan Bowdish, PT/	107
Paula Reed, PT /	106
Aaron Landreth, PT /	124
Janet O'Neil, Temp. PT /	105
Nancy Reinbold, Temp. PT /	109

### Web Sites

National USDA  
<http://www.usda.gov>

National FSA  
<http://www.fsa.usda.gov>

Washington State FSA  
<http://www.fsa.usda.gov/wa>

### 2008 Lincoln Co. Loan Rates

SWW Wheat:	\$2.65/Bu.
HRS and HWS Wheat:	\$3.23/Bu.
HRW and HWW Wheat:	\$3.27/Bu.
Durum Wheat:	\$2.90/Bu.
Barley:	\$2.15/Bu.
Oats:	\$1.26/Bu.
Canola:	\$7.22/Cwt.
Dry Peas:	\$6.58/Cwt.
Small Chickpeas:	\$7.43/Cwt.

### Dates to Remember

Nov. 26: 10-Acre Base or Less  
DCP Enrollment Deadline  
Nov. 27: Office Closed – Thanks-  
giving Day Holiday  
Dec. 1: County Committee Elect-  
ion Ballot Return Deadline  
Dec. 1: 2009 NAP Coverage  
Deadline  
Dec. 25: Office Closed - Christmas  
Day Holiday

Please contact our office regarding  
any direct deposit bank account  
and/or farm record changes.



Nominations for the Lincoln County FSA Committee have been submitted. **Judy Scrupps** has agreed to include her name for re-election in the general Odessa, Harrington, and Sprague local administrative area, and is running unopposed. Ballots have already been mailed to eligible voters in this area, and they are reminded that ballots need to be returned or postmarked to the County FSA Office by **Monday, December 1, 2008**, to be counted. Ballot return envelopes also need to be signed, and if signing for an entity always enter the work “by” in front of the signature, and state the title for all trusts, estates, etc. Write-in candidates can be made on the ballot. Powers of Attorneys are not authorized for voting purposes. In an effort to prevent identity theft through Committee ballots, the ballot was redesigned for this purpose, whereby voters are to seal the ballot envelope in two locations as indicated. Elected Committee members serve a 3-year term, and are eligible to serve three consecutive terms when re-elected. Thanks to all who will take the time to vote.

## Supplemental Revenue Assurance Payments (SURE) Program

Since the announcement of the new disaster programs included in the 2008 Farm Bill, more details are known about the primary disaster assistance program – SURE. Previous ad hoc disaster programs covered quantity and quality losses. SURE payments are in addition to crop insurance and NAP payments. They are based on revenue lost. Payments will be issued to an eligible producer in the amount equal to 60% of the difference between the program Guarantee and the total Farm Revenue. The program guarantee for insured crops is 115% of the crop insurance price times the acres times the yield. The program guarantee for non-insured crops is 120% of the NAP price times the acres times the yield. SURE payments increase with higher levels of crop insurance. SURE does not pay for losses on crops intended for grazing.

To be eligible for SURE, producers must have purchased crop insurance or NAP coverage for all crops on all farms. There is an exception for acreage that is not of economic significance or a crop for which the administrative fee for NAP coverage exceeds 10% of the value of the coverage. Operators and landowners participate independently. For 2009 crops, the deadline for obtaining NAP coverage for all crops has been extended to **December 1, 2008**. Beginning with 2010 crops, NAP coverage, as well as crop insurance, must be purchased by closing dates specific to crops. NAP closing dates and a SURE calculator are posted on the State FSA website of <http://www.fsa.usda.gov/wa>.

## Average Crop Revenue Election Program

Many questions have been received lately on the new Average Crop Revenue Election Program (ACRE), created by the new Farm Bill. The ACRE program is an alternative to the Direct & Counter Cyclical (DCP) program and therefore a producer must “elect” to participate. On a farm number basis, producers will elect to participate in DCP, or participate in ACRE, but not both. All producers (operators and owners) on a farm must agree to participate in ACRE, and file an election form. A farm can make this election in any remaining year of the Farm Bill (2009 – 2012), but once the election is made to participate in ACRE, it is irrevocable for the remainder of the Farm Bill. Elections for ACRE must be made annually by June 1, of the contract year. After choosing ACRE over DCP, a farm can be “enrolled” in the ACRE program, and only then can it begin to receive potential payments. The ACRE program provides for Direct Payments at a level equal to 80% of the Direct Payment under DCP. Participation in ACRE also requires a 30% reduction in Commodity Credit Corporation (CCC) established market assistance loan rates for commodities. This reduction will affect market loan repayment levels and loan deficiency payments. Producers in ACRE give up DCP Counter-Cyclical Payments, but gain potential ACRE payments instead. ACRE is a revenue protection program that takes into account both price and yield. ACRE provides protection on actual crops planted rather than on a farm’s base acreage. ACRE participants must also report five years of production to show proven yields in the first year, and annual production every year thereafter. ACRE payment calculations are very complex. A handout is presently available at the County FSA Office, and the program will be discussed in the future at previously mentioned producer meetings. The beginning of signup for DCP and ACRE has not yet been announced.

**Producer Meetings**

The new 2008 Farm Bill has created many changes to existing and new programs, which will involve decisions to be made by producers. Consequently, producer meetings will be held in the first part of January 2009, tentatively to be held in Harrington, Wilbur, and Reardan. Advance notice will be given with respect to these meetings.

**10 Acre Base Restriction Suspended**

The new 2008 Farm Bill prohibited farms with a total crop acreage base of 10 acres or less from receiving payments through the Direct and Counter Cyclical (DCP) for 2008 and subsequent years. However, on October 18, 2008, the technical corrections bill for the 2008 Act was passed, and it includes a change that suspends the 10.0 acre restriction for the 2008 crop year. Producers on farms with 10.0 acres of base or less have been notified by letter that they now have the opportunity to enroll in DCP, and receive Direct Payments for 2008. The deadline to sign up is **November 26, 2008**. However, this rule change only applies to 2008, and not to succeeding years.

**2008 Grain Loans**

2008 crop year wheat and barley, as well as other commodities including some pulse crops, are eligible for price support benefits in the form of market assistance loans. Regular 9-month loans on warehouse or farm stored grain can be taken out at a reasonable interest rate as it is currently 2.50% for November. The interest rate remains fixed at the rate in effect the month the loan is disbursed until the first of January 2009, wherein the interest rate of the loan will equal this January rate for the remainder of the loan period. These loans can provide a good marketing tool for producers who wish to hold their grain for sale at a later date. The loan can be repaid any time during the 9-month loan term, and the repayment will be the lesser of the Posted County Price (PCP), or principal plus interest. The grain may also be forfeited to CCC at maturity, but pay in-charges will no longer be paid on the grain by CCC.

**FSA Farm Loans**

Each year Congress allocates dollars to the Farm Service Agency (FSA), to operate an Agricultural Lending Program. The new farm bill increased loan limits for Operating and Real Estate purchase loans to \$300,000. This is the first increase in over 20 years. Priority funding is set aside to assist beginning farmers with their farming operations. Also, a portion of the funds are specifically allocated for minority and women. While FSA farm loans are available to all qualified applicants, by setting aside funds specifically for minorities and women, it insures that they will receive a portion of available funds.

Loan funds can be used to purchase farms, livestock, and equipment. They may also be used to operate the farm, build or repair farm service buildings, pay for soil and water conservation practices, and in some cases refinance debts. FSA offers both *direct* and *guaranteed* farm loans.

For *direct* loans made by FSA to purchase a farm, the term may extend up to 40 years. Applicants for direct real estate loans need to be aware that funding for this program may be limited, making it necessary to wait for a period of time before funds are available. Direct operating loans may be made for one to seven years.

The FSA *guaranteed* loans are made by banks or other lenders for which FSA guarantees up to 90% of any loss. The guaranteed loan program includes both operation and real estate loan programs.

Additionally, the new 2008 Farm Bill has changed the Farm Facility Loan Program to include hay storage facilities. The amount that can be loaned has been changed from \$100,000 to \$500,000 over a 12-year term with annual payments. This type of a loan can made even if commercial credit can be obtained.

Please contact Steve King of the FSA’s Loan Department in the Spokane FSA Office if interested in this program. The address is 8815 E. Mission Ave, Suite B; Spokane Valley, WA. 99212-2532; and the telephone number is (509) 924-7350.